



Feb. 18, 2016

Jim Nyarady, Manager
Oil and Gas Section
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Comments on draft regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities.

To Mr. Nyarady,

On behalf of the undersigned organizations, we thank you for the opportunity to comment on the revised draft regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities. We appreciate the ARB undertaking this process.

The draft regulations are a significant improvement over the previous draft. Regulating methane from the oil and gas industry is a crucial step towards California meeting its climate goals. ARB's efforts fill a number of conspicuous holes in EPA's proposed federal methane standards for new oil and gas equipment, set a strong example for other states, and continue California's leadership in addressing climate change. Additionally, controlling for methane emissions provides the important co-benefits of reducing emissions from other harmful emissions, such as volatile organic compounds (VOCs) and air toxics, and helps to protect communities living near oil and gas facilities.

We urge that ARB pass the strongest possible rules. At the same time, there are important areas still needing improvements.

We are strongly supportive of the following features of the proposal:

1. Methane standards that apply to new and existing sources.
2. Standards that address some aspects of gas storage.
3. Requirements for quarterly (rather than annual or less frequent) inspections of facilities for leak detection as well as near-immediate mandatory repairs, i.e. "not later than one calendar day after initial leak detection".
4. Requirements to minimize or avoid entirely venting of natural gas to the atmosphere § 95668 (f) Natural Gas Powered Pneumatic Devices and Pumps (5) "pneumatic pumps shall not vent natural gas to the atmosphere and shall comply with the LDAR requirements".
5. Requirements that operators minimize flaring of natural gas, allowing this technique only as an absolute last resort for controlling methane emissions or where necessary to prevent an imminent safety hazard.

We recommend the following improvements be made:

1. Include oil and gas wastewater discharge sites in the regulations. Oil sumps may be a significant source of methane and VOC emissions. ARB should require vapor control at open pits or eliminate them altogether. ARB's plans to conduct air monitoring at sumps are a good first step, but fall short of the more protective options that should be considered in these regulations.
2. As noted, we strongly support quarterly leak inspections, but we oppose the language in § 95669. Leak Detection and Repair (f) (1) "The quarterly inspection frequency may be reduced to annually provided that both of the following conditions are met: (A) All components have been measured below the number of allowable leaks for each leak threshold specified in Table 4 for five (5) consecutive calendar quarters." Studies show that leaks occur randomly, that is, just because leaks have been within allowable limits for "five consecutive calendar quarters" does not indicate that they are unlikely to surpass allowable limits in the future. The best way to ensure that this does not happen is ongoing quarterly inspections. Furthermore, a variable inspection schedule may incentivize operators not to find some leaks during their inspections in order to qualify for more a lenient inspection schedule in the future. Adhering to a fixed inspection schedule will eliminate this perverse incentive.
3. It is not clear in § 95668. Standards (f) Natural Gas Powered Pneumatic Devices and Pumps (6), whether intermittent bleed pneumatic devices are included, but they should be, because studies show that they malfunction on a regular basis, so should be phased out as soon as possible. Even where these devices operate as intended, many are

associated with significant emissions and can generally be replaced with low-bleed or no-bleed devices. ARB should thus ensure that its standards cover intermittent and continuous bleed devices alike.

4. ARB must evaluate cumulative impacts of new and existing wells, and assist in new well permitting. Currently, the permitting process of the Division of Oil, Gas and Geothermal Resources (DOGGR) does not consider emissions of methane or other air quality issues. ARB should evaluate cumulative impacts of multiple well projects, field-level emissions, and statewide or regional impacts that are not accounted for in the permitting process for new wells by DOGGR.
5. ARB must monitor and evaluate co-benefits from its proposed standards—namely, emission reductions of VOCs and air toxic. These regulations should result in demonstrating actual reductions in health harming emissions, based on measurable test results that are verifiable and accurate.

Thank you for the opportunity to provide comments. We urge ARB to maintain the improvements in the draft regulations and to strengthen other areas as indicated. We look forward to working with on these regulations in the future.

Sincerely,

Keith Nakatani
Oil and Gas Program Manager
Clean Water Action

Diana Vazquez
Policy Advocate
Sierra Club California

Bill Allayaud
California Director of Government Affairs
Environmental Working Group

Sandra Fluke
California State Director
Voices for Progress California

Barbara Sattler
RN, DrPH, FAAN
Alliance of Nurses for Healthy Environments

Jennifer Krill
Executive Director
Earthworks